

LEGISLATIVE FISCAL OFFICE Fiscal Note

Fiscal Note On: **HB 301** HLS 10RS 1134

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.: Sub. Bill For.:

Date: June 20, 2010 4:27 PM Author: RITCHIE

Dept./Agy.: Revenue

Subject: Tax Commission independence for budget/mgt matters

Analyst: Deborah Vivien

TAX COMMISSION, STATE

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Grants the La. Tax Commission the authority to manage its own budget, procurement, and general management and operational functions.

<u>Current law</u>: The Tax Commission is an agency under the Department of Revenue. Therefore, The Department has authority over the Louisiana Tax Commission for budgetary, procurement and general accounting and management functions.

<u>Proposed law</u>: Grants the Tax Commission the authority to control its own budgetary, procurement and general accounting and management functions and moves the Tax Commission to the Office of the Governor under the Division of Administration.

Effective on July 1, 2010.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW					
Agy. Self-Gen.	SEE BELOW	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0
REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The Tax Commission will not change physical locations so there will be no moving-related expenses associated with this bill. According to both the LA Tax Commission and the Department of Revenue, the Department currently provides little budgetary, procurement, or general accounting and management functions for the Commission. The Tax Commission has indicated that it will be able to absorb any additional duties, including human resources responsibilities, into its existing budget if it is moved to the Division of Administration.

However, the Division of Administration has indicated the possible necessity of an additional human resources analyst to provide those services for the 36 positions in the Commission. The annual cost would be about \$40,000, and the cost could possibly be divided among other agencies in the Office of the Governor, so this cost may not be fully attributable to the Tax Commission budget.

Currently, in the recommended budget for FY 10/11, the Tax Commission is funded in large part with Revenue Department self-generated revenue from the tax collection program (\$3,042,984 of a total budget of \$3,533,960). If the Tax Commission moves to the Office of the Governor, this self-generated revenue may no longer be available to the Tax Commission for FY 10/11 unless inter-agency transfers are appropriated. In years beyond FY 11, these inter-agency transfer appropriations would have to be continued or state general fund means-of-finance will be necessary to fund the remainder of the budget of the Tax Commission, just as is currently required for the Tax Commission under the Department of Revenue (the FY 10/11 proposed budgeting of self-generated revenue appears to be a one-time financing swap of self-generated revenue for state general fund financing).

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate	<u>Dual Referral Rules</u> ,000 Annual Fiscal Cost	House $6.8(F) >= $100,000 \text{ Annual SGF Cost}$	Llegoz V. allect
13.5.1 >= \$100 ₀	,000 Annuai Fiscai Cost	\square 6.8(F) >= \$100,000 Annual SGF Cost	
13.5.2 >= \$500	,000 Annual Tax or Fee Change	\Box 6.8(G) >= \$500,000 Tax or Fee Increase	Gregory V. Albrecht
		or a Net Fee Decrease	Chief Economist